

**FISCAL MEMORANDUM  
HB 625 – SB 1668**

April 23, 2007

**SUMMARY OF AMENDMENT (004697):** Requires the State of Tennessee, but not its political subdivisions, to pay the Tennessee minimum wage established in the original bill.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Revenues – Not Significant  
Increase State Expenditures – Not Significant  
Increase Local Govt. Revenues – Not Significant  
Increase Local Govt. Expenditures – Not Significant

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Other Fiscal Impact – The State of Tennessee will not incur an increase in expenditures for at least five years. If in five consecutive, full calendar years the U.S. Congress has not increased the federal minimum wage to an amount equal to or greater than the Tennessee minimum wage, there could be an increase in state expenditures to pay salaries for any state employees who are not paid at the Tennessee minimum wage rate. If an increase does take place, the amount of the increase is unquantifiable for two reasons: it is unknown what the percentage increase in the average consumer price index will be for any five-year period; it is unknown how many, if any, state employees will qualify to receive the Tennessee minimum wage at the time it goes into effect.**

Assumptions applied to amendment:

- The Tennessee minimum wage only goes into effect when the U.S. Congress has not increased the federal minimum wage to an amount equal to or greater than the Tennessee minimum wage for five consecutive, full calendar years.
- The Tennessee minimum wage is defined as the Federal minimum wage adjusted to reflect the percentage increase in the average consumer price index for the five-year period.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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